

LEGAL ALERT

MINIMUM SALARY FOR ALL EMPLOYEES

April 21, 2020



The Macau Legislative Assembly has enacted the long-awaited and controversial “Minimum Salary for Employees” (the “New Law”) on April 16th, 2020. The New Law is set to come into effect on 1 November 2020, meaning that there will be a period of six and a half months for employers to adapt and implement these provisions.

The New Law replaces the Law no. 7/2015, which had previously created an “Minimum Salary for Cleaning and Security Employees of Property Management”, and was in effect since 1 January 2016, and seeks to fulfill the pledge of the Macau Government of implementing a universal minimum salary within 3 years.

The New Law will be implementing the following minimum salary amounts, to be applied to all sectors of economic activity in Macau:

- MOP6,656.00 per month;
- MOP1,536.00 per week;
- MOP256.00 per day; and
- MOP32.00 per hour.

According to the New Law, overtime compensation, night shift allowance and 13th month salary and other entitlements of the same nature shall not be considered basic salary for the purposes of minimum salary. The same minimum salary amounts shall apply if employees are under pay arrangements other than monthly salary arrangement, such as compensation arrangements based on daily, hourly, weekly or work done basis. The New Law also provides for a 3-month accrual period for this type of pay arrangements, meaning that the minimum salary requirement will be deemed to have been met if the average amount of an employees’ salary of the current and 2 previous months, meets the abovementioned minimum salary amounts.

Finally, it is worth noting that the Legislative Assembly repealed Decree Law no. 43/95/M which allowed employers in the manufacturing industry of products for exportation to suspend employment relationships and reduce employees’ working hours, based on economic hardship, a regime that could

also be extended to other areas of the economy, subject to Chief Executive's approval. This repeal aims to avoid unequal treatment for employees of that industry because of the New Law.

The New Law is a substantial change in local working conditions and will introduce significant compliance requirements for local employers, especially considering the economic upheaval caused by COVID-19. Employers should be fully aware of these provisions when structuring their HR needs going forward and seek assistance on how to best comply with these new requirements.

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